



DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-888]

Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review, and Intent to Rescind Review, in Part; 2019

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that POSCO and certain other producers/exporters of certain carbon and alloy steel cut-to-length plate (CTL plate) from the Republic of Korea (Korea) received *de minimis* net countervailable subsidies during the January 1, 2019, through December 31, 2019, period of review (POR). Interested parties are invited to comment on these preliminary results.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: George Ayache or Faris Montgomery, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2623 and (202) 482-1537, respectively.

SUPPLEMENTARY INFORMATION:

Background

On July 10, 2020, Commerce published a notice of initiation of an administrative review of the countervailing duty (CVD) order on CTL plate from Korea.¹ On July 21, 2020, Commerce tolled all preliminary and final results deadlines in administrative reviews by 60 days.² On March 8, 2021, Commerce extended the deadline for the preliminary results of this

¹ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 85 FR 41540 (July 10, 2020).

² See Memorandum, “Tolling of Deadlines for Antidumping and Countervailing Duty Administrative Reviews,” dated July 21, 2020.

review to no later than July 30, 2021.³

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included at Appendix I. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Order

The merchandise covered by the order is CTL plate. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.

Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.⁵ For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum.

Intent to Rescind Administrative Review, in Part

On August 6, 2020, Hyundai Steel Company timely submitted a no shipment certification.⁶ Because there is no evidence on the record to indicate that Hyundai Steel Company had entries, exports, or sales of subject merchandise to the United States during the POR, and U.S. Customs and Border Protection (CBP) did not provide Commerce with any

³ See Memorandum, "Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2019," dated March 8, 2021.

⁴ See Memorandum, "Decision Memorandum for the Preliminary Results of the Countervailing Duty Administrative Review; 2019: Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁵ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁶ See Hyundai Steel Company's Letter, "Notice of No Sales," dated August 6, 2020.

contradictory information, we intend to rescind the review with respect to Hyundai Steel Company in accordance with 19 CFR 351.213(d)(3).

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limits its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act also provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}." Section 705(c)(5)(A) of the Act states that, in general, for companies not investigated, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding any zero and *de minimis* rates, and any rates based solely on the facts available. Additionally, section 705(c)(5)(A)(ii) provides that when the countervailable subsidy rates established for all exporters and producers individually investigated are zero or *de minimis* rates, or based solely on facts available, Commerce may use any reasonable method to establish a rate for those companies not individually investigated, including averaging the weighted average countervailable subsidy rates determined for the exporters and producers individually investigated. For the preliminary results of this review, we calculated a *de minimis* net countervailable subsidy rate for POSCO, the sole mandatory respondent. As a result, for the reasons discussed in the Preliminary Decision Memorandum, we have preliminarily determined that it is reasonable to assign to the companies not selected for individual examination in this review, the *de minimis* net countervailable subsidy rate calculated for POSCO in this review. For a list of the 40 companies for which a review was requested, and which were not selected as mandatory respondents, *see* Appendix II to this notice.

Preliminary Results of Review

In accordance with 19 CFR 351.221(b)(4)(i), Commerce preliminarily determines that, during the POR, the net countervailable subsidy rates for the producers/exporters under review are as follows:

Company	Net Countervailable Subsidy Rate (percent <i>ad valorem</i>)
POSCO ⁷	0.23 (<i>de minimis</i>)
Non-Examined Companies Under Review ⁸	0.23 (<i>de minimis</i>)

Disclosure and Public Comment

We intend to disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁹ Interested parties will be notified of the timeline for the submission of case briefs at a later date.¹⁰ Rebuttal briefs, limited to issues raised in the case briefs, may be submitted not later than seven days after the time limit for filing case briefs.¹¹ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹²

Interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, using Enforcement and Compliance's ACCESS system within 30 days of publication of this notice.¹³ Requests should contain: (1) the party's name, address, and telephone number; (2) the number

⁷ As discussed in the Preliminary Decision Memorandum, Commerce has found the following companies to be cross-owned with POSCO: Pohang Scrap Recycling Distribution Center Co. Ltd.; POSCO Chemical; POSCO International; POSCO M-Tech; POSCO Nippon Steel RHF Joint Venture Co., Ltd.; and POSCO Terminal. The subsidy rate applies to all cross-owned companies.

⁸ See Appendix II.

⁹ See 19 CFR 351.224(b).

¹⁰ See 19 CFR 351.309(c)(1)(ii); see also 19 CFR 351.303 (for general filing requirements).

¹¹ See 19 CFR 351.309(d)(1); see also *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006, 17007 (March 26, 2020).

¹² See 19 CFR 351.309(c)(2) and 351.309(d)(2).

¹³ See 19 CFR 351.310(c).

of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case and rebuttal briefs. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm the date and time of the hearing two days before the scheduled date.

Parties are reminded that all briefs and hearing requests must be filed electronically using ACCESS and received successfully in their entirety by 5:00 p.m. Eastern Time on the due date. Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁴

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), Commerce intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in any briefs, no later than 120 days after the date of publication of these preliminary results.

Assessment Rate

Consistent with section 751(a)(2)(C) of the Act, upon issuance of the final results, Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review.

Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Rate

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the

¹⁴ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

amounts indicated above with regard to shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review, except, where the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate (4.31 percent) applicable to the company, as appropriate.¹⁵ These cash deposit instructions, when imposed, shall remain in effect until further notice.

Notification to Interested Parties

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213 and 351.221(b)(4).

Dated: July 30, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

¹⁵ See *Certain Carbon and Alloy Steel Cut-to-Length Plate from the Republic of Korea: Countervailing Duty Order*, 82 FR 24103 (May 25, 2017).

Appendix I

List of Topics Discussed in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Period of Review
- V. Diversification of Korea's Economy
- VI. Intent to Rescind, in Part, the Administrative Review
- VII. Rate for Non-Examined Companies
- VIII. Subsidies Valuation Information
- IX. Benchmarks and Interest Rates
- X. Analysis of Programs
- XI. Recommendation

Appendix II

Non-Examined Companies Under Review

1. BDP International
2. Blue Track Equipment
3. Boxco
4. Bukook Steel Co., Ltd.
5. Buma CE Co., Ltd.
6. China Chengdu International Techno-Economic Cooperation Co., Ltd.
7. Daehan I.M. Co., Ltd.
8. Daehan Tex Co., Ltd.
9. Daelim Industrial Co., Ltd.
10. Daesam Industrial Co., Ltd.
11. Daesin Lighting Co., Ltd.
12. Daewoo International Corp.
13. Dong Yang Steel Pipe
14. Dongbu Steel Co., Ltd.
15. Dongkuk Industries Co., Ltd.
16. Dongkuk Steel Mill Co., Ltd.
17. EAE Automotive Equipment
18. EEW KHPC Co., Ltd.
19. Eplus Expo Inc.
20. GS Global Corp
21. Haem Co., Ltd.
22. Han Young Industries
23. Hyosung Corp.
24. Jinmyung Fricttech Co., Ltd.
25. Khana Marine Ltd.
26. Kindus Inc.
27. Korean Iron and Steel Co., Ltd.
28. Kyoungil Precision Co., Ltd.
29. Menics
30. Qian'an Rentai Metal Products Co., Ltd.
31. Samsun C&T Corp.
32. Shinko
33. Shipping Imperial Co., Ltd.
34. Sinchang Eng Co., Ltd.
35. SK Networks Co., Ltd.
36. SNP Ltd.
37. Steel N People Ltd.
38. Summit Industry
39. Sungjin Co., Ltd.
40. Young Sun Steel

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